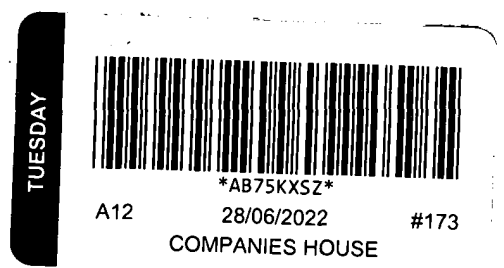


Pepco Group Limited

Annual report and financial statements

For the year ended 30 September 2021

Registered number 09127609



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Strategic report

The Directors present their strategic report for the year ended 30 September 2021.

Principal activity

The principal activity of the Company is an intermediate holding company.

Business review

On 1st March 2020, all employees of the Company were transferred to Pepco Group Services Limited, a subsidiary undertaking, via Transfer of Undertakings (Protection of Employment) (TUPE). The Company has continued to incur small advisory fees since this date, however the economic activity of the Company has now largely ceased.

Strategic aims and future developments

As an intermediate holding company, the strategic aims are aligned with those of the Group, details of which are disclosed in the annual report of Pepco Group N.V.

Results and key performance indicators

The Company made a loss before taxation of £12.9m for the year ended 30 September 2021 (2020: £39.1m).

Given the limited nature of the Company's activities, no key performance indicators are monitored.

Principal risks and uncertainties

As an intermediate holding company, the principal risks are those faced by the Group, details of which are disclosed in the annual report of Pepco Group N.V.

Events subsequent to reporting period

There have been no subsequent events affecting the Company.

Approved by the Board on 22 June 2022 and signed on its behalf by:

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M Ankers

Director

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 30 September 2020. As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 2. These matters relate to the principal activity, principal risks and uncertainties and future developments and events subsequent to the reporting period.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1.1 of the financial statements.

Policy and practice on payment of creditors

The activity of the Company does not generally result in significant creditor balances, it is the wider Group's policy to include in contracts, or other agreements, terms of payment with suppliers. Provided that a supplier is complying with the relevant terms and conditions, including prompt and complete submission of all specified documentation, payment will be made in accordance with these agreed terms. The Group does not follow any code or standard on payment practice.

Environmental matters

The Company recognises that its operations impact the environment and that this is an increasingly important issue for consumers. The principal retail operations within the wider Group, Pepco and the Poundland Group, design and implement policies to help to reduce their carbon footprint and costs and seek to reduce energy consumption to deliver efficiencies where possible.

Political donations

The Company made no political donations in the year.

Financial risk management objectives and policies

As an intermediate holding company, the financial risk management objectives and policies are aligned with those of the Group, details of which are disclosed in the annual report of Pepco Group N.V.

Dividends

The Directors do not propose a final dividend.

Directors

The Directors who held office during the year, and up to the date of this report (unless otherwise stated), were as follows:

S Cardinaal (resigned 8 February 2021)
N Wharton (resigned 30 April 2022)
M Ankers (appointed 14 December 2021)
A Chitty (appointed 16 May 2022)
J Knox (appointed 30 April 2022)
R Swales (appointed 16 May 2022)

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Employees

As an intermediate holding company, the employment policies are aligned with those of the Group, details of which are disclosed in the annual report of Pepco Group N.V.

Directors' report *(continued)*

Auditor

Mazars LLP was appointed as auditor in accordance with section 485 of the Companies Act 2006. The registered address of Mazars LLP is:

30 Old Bailey
London
EC4M 7AU

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 22 June 2022 and signed on its behalf by:



M Ankers

Director

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Pepco Group Limited

Opinion

We have audited the financial statements of Pepco Group Limited (the 'company') for the year ended 30 September 2021 which comprise Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Pepco Group Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Bribery Act, the Modern Slavery Act, Employment regulation, health and safety regulation, anti-money laundering regulation, GDPR, environmental regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and

Independent auditor's report to the members of Pepco Group Limited (continued)

Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



David Herbinet (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date: 24 June 2022

Income statement
for the year ended 30 September 2021

		30 September 2021 £000	30 September 2020 £000
Other operating income		-	1,712
Administrative expenses		<u>(535)</u>	<u>(14,931)</u>
Operating profit		(535)	(13,219)
Financial income	2	81	-
Financial expense	3	<u>(12,425)</u>	<u>(25,915)</u>
Loss before taxation for the year		(12,879)	(39,134)
Taxation	5	<u>47</u>	<u>1,205</u>
Loss for the year		<u>(12,832)</u>	<u>(37,929)</u>


The notes on pages 12 to 19 form part of these financial statements.

All losses were from continuing activities.

Statement of financial position
at 30 September 2021

	Note	30 September 2021 £000	30 September 2020 £000
Non current assets			
Investments	6	787,258	778,306
Intangible fixed assets	7	-	2,210
		<u>787,258</u>	<u>780,516</u>
Current assets			
Trade and other receivables falling due within one year	8	11,600	14,817
Cash at bank and in hand		<u>1,302</u>	<u>8,860</u>
		<u>12,902</u>	<u>23,677</u>
Trade and other payables: amounts falling due within one year	9	(4,414)	(4,514)
Net current assets		<u>8,488</u>	<u>19,163</u>
Total assets less current liabilities		<u>795,746</u>	<u>799,679</u>
Trade and other payables: amounts falling due after more than one year	10	(214,739)	(205,840)
Net assets		<u>581,007</u>	<u>593,839</u>
Capital and reserves			
Called up share capital	11	2	2
Share based payment reserve		-	9,835
Retained earnings		<u>581,005</u>	<u>584,002</u>
Shareholders' equity		<u>581,007</u>	<u>593,839</u>

The notes on pages 12 to 19 form part of these financial statements. These financial statements were approved by the board of Directors on [XX] and were signed on its behalf by:



M Ankers

Director

Registered number: 09127609

Statement of changes in equity
for the year ended 30 September 2021

	Share capital £000	Share based payment reserve £000	Retained earnings £000	Total equity £000
Balance at 1 October 2020	2	9,835	584,002	593,839
Total comprehensive income for the year				
Loss for the year	-	-	(12,832)	(12,832)
Total comprehensive expense for the year	-	-	(12,832)	(12,832)
Transactions with owners, recorded directly in equity				
Equity settled share based payments	-	(9,835)	9,835	-
Balance at 30 September 2021	<u>2</u>	<u>-</u>	<u>581,005</u>	<u>581,007</u>

The notes on pages 12 to 19 form part of these financial statements.

Statement of changes in equity
for the year ended 30 September 2020

	Share capital £000	Share based payment reserve £000	Retained earnings £000	Total equity £000
Balance at 1 October 2019	2	-	622,443	622,445
Total comprehensive income for the year				
Loss for the year	-	-	(37,929)	(37,929)
Dividends paid	-	-	(512)	(512)
Total comprehensive expense for the year	-	-	(38,441)	(38,441)
Transactions with owners, recorded directly in equity				
Equity settled share based payments	-	9,835	-	9,835
Total contributions by and distributions to owners	-	9,835	-	9,835
Balance at 30 September 2020	<u>2</u>	<u>9,835</u>	<u>584,002</u>	<u>593,839</u>

The notes on pages 12 to 19 form part of these financial statements.

Notes to the financial statements

1. Significant accounting policies

Pepco Group Limited ("the Company") is a private company limited by shares, incorporated in England and Wales under the Companies Act. The registered number is 09127609 and the address of the registered office is 14th Floor Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH. The nature of the Company's operations is set out in the Strategic report. These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

The functional and presentational currency of the Company is GBP which is the currency the Company primarily operates in.

Disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is included within the consolidated financial statements of Pepco Group N.V. which are prepared under EU-IFRS and are publicly available. The Company complies with the accounting policies defined in note 1 to the Group consolidated financial statements except as disclosed below.

In preparing these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- certain disclosures required by IFRS 13 "Fair Value Measurement" and the disclosures required by IFRS 7 "Financial Instruments: Disclosures".

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

1.1. Going concern

At the time of signing the financial statements, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future, which is not less than twelve months from signing these financial statements. In doing so the directors have considered reasonable downside sensitivities including assessing the impacts of the Covid-19 global pandemic on the going concern position. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

The directors have obtained a letter of support from its parent undertaking, Pepco Group N.V., and have considered the ability of Pepco Group N.V. to be able to give this letter of support for a period of 12 months from the date of these accounts.

Notes to the financial statements (*continued*)

1. Significant accounting policies (*continued*)

1.2. Foreign currency

Transactions in foreign currencies are translated to the Company's presentational currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

1.3. Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4. Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.5. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes to the financial statements (*continued*)

1. Significant accounting policies (*continued*)

1.6. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.7. Intangible assets

Software

Capitalised software costs include both external direct costs of goods and services, and internal payroll-related costs for employees who are directly associated with the software project.

Development costs are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it is available for use.
- Management intend to complete the software for use in the business.
- It can be demonstrated how the software will generate probable economic benefits in the future.
- Adequate technical, financial and other resources are available to complete the project.

Capitalised software development costs are amortised on a straight-line basis over their expected economic lives.

Computer software under development is held at cost less any recognised impairment loss. Any impairment in value is recognised within the income statement

1.8. Reserves

Share capital

Called-up share capital represents the nominal value of shares that have been issued. Share premium represents the difference between the issue price and the nominal value of shares issued.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax from the proceeds.

Retained earnings

Retained earnings represents the cumulative profits and losses of the Company, net of any distributions made to shareholders.

1.9. Key sources of estimation uncertainty

Impairment of fixed asset investments

The Company assesses whether there are any indicators of impairment as at the reporting date for all investments.

When value in use calculations are undertaken, the Directors must estimate the expected future cash flows from the investment and choose a suitable discount rate in order to calculate the present value of those cash flows. The key source of estimation uncertainty is the growth rates applied.

Notes to the financial statements (*continued*)

2. Financial income

	Year to 30 September 2021 £000	Year to 30 September 2020 £000
Intercompany interest receivable	<u>81</u>	<u>-</u>

3. Financial expense

	Year to 30 September 2021 £000	Year to 30 September 2020 £000
Intercompany interest payable	12,321	15,933
Other financial expense	<u>104</u>	<u>9,982</u>
	<u>12,425</u>	<u>25,915</u>

Other financial expense relates to foreign exchange losses on revaluation of borrowings not denominated in the functional currency of the Company.

4. Staff numbers and cost

The average number of people employed by the Company (including Directors) during the year was as follows:

	Year to 30 September 2021	Year to 30 September 2021
Administration	<u>2</u>	<u>16</u>

The aggregate payroll costs of these persons were as follows:

	Year to 30 September 2021 £000	Year to 30 September 2020 £000
Wages and salaries	(610)	1,546
Social security costs	(84)	189
Other pension costs	-	56
Share based payments expense	<u>-</u>	<u>11,154</u>
	<u>(694)</u>	<u>12,945</u>

The credit to wages and salaries and social security costs has arisen due to amounts accrued in the year to 30 September 2020 relating to employees transferred to Pepco Group Services Limited. The accruals were released in the year to 30 September 2021 as these costs were subsequently borne by Pepco Group Services Limited.

Notes to the financial statements (*continued*)

5. Taxation

Analysis of charge for the year

	Year to 30 September 2021 £000	Year to 30 September 2020 £000
Current tax credit on income for the year	1	(221)
Adjustments in respect of prior years	(48)	(984)
	<u>(47)</u>	<u>(1,205)</u>

Factors affecting the tax charge for the year

The tax charge is reconciled with the standard rates of UK tax as follows:

	Year to 30 September 2021 £000	Year to 30 September 2020 £000
Profit before tax	(12,879)	(39,134)
Current tax at 19% (2020: 19%)	(2,447)	(7,435)
<i>Effects of:</i>		
Unrecognised temporary differences	2,248	2,991
Expenses not deductible for tax purposes	200	4,222
Adjustments in respect of prior years	(48)	(983)
	<u>(47)</u>	<u>(1,205)</u>

Notes to the financial statements (*continued*)

6. Investments

	30 September 2021 £000	30 September 2020 £000
Investments	777,850	777,850
Loans	9,408	456
	<u>787,258</u>	<u>778,306</u>

Fair value of financial assets carried at amortised cost

The Directors consider that the carrying amount of financial assets held at amortised cost in the financial statements is approximate to their fair value.

Movement in non-current investments

	Shares in group undertakings £000	Loans to group undertakings £000	Total £000
Cost			
At 1 October 2020	777,850	456	778,306
Additions	-	8,979	8,979
Disposals	-	-	-
Interest capitalised	-	-	-
Foreign currency translation differences	-	(27)	(27)
At 30 September 2021	<u>777,850</u>	<u>9,408</u>	<u>787,258</u>
Carrying amount			
At 30 September 2021	<u>777,850</u>	<u>9,408</u>	<u>787,258</u>
At 30 September 2020	<u>777,850</u>	<u>456</u>	<u>778,306</u>

7. Intangible assets

	Computer software £000	Total £000
Cost or valuation		
At 1 October 2019	1,592	1,592
Additions	618	618
At 30 September 2020	<u>2,210</u>	<u>2,210</u>
At 1 October 2020	2,210	2,210
Group transfers ¹	(2,210)	(2,210)
At 30 September 2021	<u>-</u>	<u>-</u>
Carrying amount		
At 30 September 2021	<u>-</u>	<u>-</u>
At 30 September 2020	<u>2,210</u>	<u>2,210</u>

¹Group transfers relate to assets transferred to Pepco Group Services Limited. Following the novation of the trade of Pepco Group Limited to Pepco Group Services Limited, the assets have been transferred to the Company in exchange for consideration equal to their carrying value of £2,210,000 at the date of transfer. This consideration remains outstanding.

Notes to the financial statements (*continued*)

8. Trade and other receivables

	30 September 2021 £000	30 September 2020 £000
<i>Amounts falling due within less than one year:</i>		
Amounts owed by group undertakings	10,988	12,798
Loans receivable from group undertakings	81	-
Prepayments and accrued income	-	107
Other receivables	531	1,912
	<u>11,600</u>	<u>14,817</u>

Amounts owed by Group undertakings are repayable on demand and non-interest accruing at 30 September 2021 and 2020.

9. Trade and other payables

	30 September 2021 £000	30 September 2020 £000
Trade payables	1,584	1,946
Accruals and deferred income	701	2,542
Loans from group undertakings	2,103	-
Other payables	26	26
	<u>4,414</u>	<u>4,514</u>

Amounts owed to Group undertakings are repayable on demand and non-interest accruing at 30 September 2021 and 2020.

10. Non-current liabilities

	30 September 2021 £000	30 September 2020 £000
Loans from group undertakings	214,739	204,521
Accruals and deferred income	-	1,319
	<u>214,739</u>	<u>205,840</u>

11. Share capital and reserves

	30 September 2021 £000	30 September 2020 £000
<i>Ordinary share capital</i>		
Issued and fully paid		
1,736,056 A ordinary shares of 0.1p each (2020: 1,736,056)	2	2
29,000 B ordinary shares of 0.1p each (2020: 29,000)	-	-
9,186 C ordinary shares of 0.1p each (2020: 9,186)	-	-
	<u>2</u>	<u>2</u>

Notes to the financial statements (*continued*)

12. Subsequent events

There have been no subsequent events affecting the Company.

13. Ultimate parent company

At the year end the Company's ultimate parent Company was Steinhoff International Holdings N.V., an entity listed on the Frankfurt Stock Exchange. The most senior parent entity producing publicly available financial statements is Steinhoff International Holdings N.V. These financial statements are available upon request at www.steinhoffinternational.com.

Relationship between entity and parents

The parent of the largest and smallest Group in which these financial statements are consolidated is Steinhoff International Holdings N.V., incorporated in The Netherlands.

The address of Steinhoff International Holdings N.V. is:

Building B2
Vineyard Office Park
Cnr Adam Tas & Devon Valley Road
Stellenbosch 7600
South Africa